

## **Livable Home Tax Credits Program Guidelines**

**Purpose:** To improve accessibility and provide universal visitability by providing state tax credits for the purchase of new units or retrofitting of residential units.

**Eligible Activities:** 1) The purchase of a new residence that has universal visibility or accessibility features. 2) Retrofitting of a residence to improve accessibility or provide universal visitability.

In order for the purchase of a new residence to qualify for tax credits it must include the three features of Universal Visitability or include at least three accessibility features and meet the requirements of an existing standard (please see definitions).

Retrofitting of an existing residential unit must include at least one accessibility feature, lifts or elevators and meet the requirements of an existing standard or provide sensory modifications in order to qualify for tax credits.

All accessibility features, lifts, elevators and Universal Visitability features must be completed in conformity with the applicable provisions of the Uniform Statewide Building Code.

Accessibility features that are provided in order to comply with existing Fair Housing, Equal Opportunity, American with Disabilities Act or other local, state or federal requirements are not eligible for tax credits.

Costs for the purchase of the residence or accessibility or visitability features must be incurred by the tax credit applicant in order to claim the tax credit. Accessibility features that are funded through the Granting Freedom Program, Indoor Plumbing and Rehabilitation Program, the Community Development Block Grant Program, Accessibility Modification Program or other local, state or federal programs are not eligible for tax credits. Any portion of costs borne by the tax credit applicant under matching requirements of these programs may be eligible for tax credits.

**Eligible Applicants:** Persons filing Virginia individual income tax returns who have incurred costs for the purchase of new residential units with accessibility or Universal Visitability features or for the retrofitting of residential units with accessibility or Universal Visitability features on or after January 1, 2008. Eligible purchase or retrofitting expenses may not be claimed by more than one tax payer.

**Tax Credits:** \$500 for the purchase of a new residence and 25 percent of the cost of retrofitting activities not to exceed \$500. Any tax credit that exceeds the eligible individual's tax liability may be carried forward for up to five years. If the total amount

of tax credits issued under this program exceeds \$1 million in a fiscal year, DHCD will pro rate the amount of credits among the eligible applicants.

**Application Process:** Applications are to be filed on forms prescribed by DHCD by February 28 of the year following the year in which the purchase or retrofitting was **completed**. Documentation must be submitted with the application. In the case of the purchase of a new residential unit, a copy of the executed sales contract must be attached. In the case of retrofitting copies of scope of work, work specifications, construction contracts, invoices and/or canceled checks documenting the type work, cost and payment must be attached. DHCD will issue tax credit certificates to eligible applicants to attach to their individual tax returns in order to claim the credit.

## **Definitions**

*Accessibility features* – 1) Accessible route to a zero-step entrance on firm surface that is no steeper than 1:12 from a driveway or public sidewalk; 2) Zero-step entrance; 3) Doors with at least 32 inches of clear width; 4) Hallways and passages with at least 36 inches of clear width; 5) Accessible light switches, electrical outlets and environmental controls; 6) Accessible bathroom; and 7) Accessible and useable kitchen facilities. These features are to meet the specifications of an existing standard.

*Existing standards* – This includes adaptability features prescribed by the Virginia Uniform Statewide Building Code, the specifications of the American National Standards Institute, the Uniform Federal Accessibility Standard or Fair Housing Guidelines.

*New residence* – a unit purchased for use as a residence that has not been previously sold for occupancy as a residence. This includes newly constructed units and residential units created through the adaptive reuse of buildings previously used for non-residential uses.

*Sensory Modifications* – Alarms, appliances and controls designed to assist sensory disabled persons that are structurally integrated into the residential unit. Built-in appliances would meet this definition. Accommodations or features that can be removed and reinstalled in another residential unit and so reused at another location are not considered to be sensory modifications for the purposes of this tax credit program. Appliances or alarms that can be reinstalled in another residence would not meet this definition.

*Universal Visitability*- 1) at least one zero-step entrance approached by an accessible route on a firm surface no steeper than 1:12 slope proceeding from a driveway or public sidewalk; 2) An accessible bathroom (can be a half bath/powder room) on the same floor as the zero-step entrance; and 3) Doors with at least 32 inches of clear width and hallways/passage ways of at least 36 inches of clear width to the accessible bathroom and eating area.